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TAGS: [PREL](#) [PBTS](#) [OSCE](#) [PINR](#) [RO](#) [MD](#) [UP](#)  
SUBJECT: UKRAINE/MOLDOVA/TRANSNISTRIA: EUR DAS KRAMER URGES  
CONTINUING ROLE WITH POLITICAL LEADERS, MFA

REF: CHISINAU 796

Classified By: Ambassador for reasons 1.4 (b,d).

¶1. (C) Summary: In July 28 meetings with Party of Regions leader Viktor Yanukovych, Socialist Party leader Oleksandr Moroz, and Deputy Foreign Minister (and special negotiator on Transnistria Issues) Andriy Veselovsky, EUR DAS David Kramer praised Ukraine's leadership in resolving problems arising from Moldova's separatist Transnistria region. He singled out the Ukraine-Moldova customs agreement as a setback for Transnistrian leader Igor Smirnov, since the majority of Transnistria-based enterprises had signed on to it despite Smirnov's opposition. DAS Kramer countered Yanukovych's observation that both Moldovan President Voronin and Transnistrian leader Smirnov needed to take steps toward a compromise noting that Voronin was the legitimately elected head of an internationally recognized country and Smirnov, as the leader of an illegitimate regime, had to do more. Moroz assured DAS Kramer of his support for the customs agreement. Veselovsky said Ukraine planned to hold a conference on international aspects of the Transnistrian conflict in Brussels in late October/early November. He criticized recent unhelpful Romanian statements on Transnistria and warned that, if Moldova does not agree to open rail routes through Transnistria, the Ukrainian government would deal directly with the Transnistrian authorities to do so. End summary.

Yanukovych's Partiality toward Transnistria  
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¶2. (SBU) In response to DAS Kramer's question about whether a Regions-led Government would support keeping the Ukraine-Moldova customs union in force, Yanukovych said that Regions wanted to see a stable territory and the conflict resolved. He noted that it was important to establish order along the border and that the border should be protected. When DAS Kramer pressed on the specific customs agreement, Yanukovych finally said that he knew the really difficult time was over and a new Ukrainian government would "not make it worse,... it would even improve it."

¶3. (C) Yanukovych said that he knew both Moldovan President Voronin and Transnistrian leader Smirnov well and that he would help them reach agreement -- "both have to make steps toward each other and find a compromise." DAS Kramer agreed, but noted that Smirnov, as the leader of a separatist region rather than a country, needed to do more. Yanukovych said he understood, but Smirnov had been pushed into a corner with no way out. It was important psychologically to give him a way out and provide some guarantees. Noting that this answer made him nervous, DAS Kramer stressed that Smirnov's support from "the neighbor to the north" meant he did not need Kiev's sympathy. Yanukovych came back, stating he was not talking

about support, but simply finding a way out for Smirnov. Both agreed to discuss this issue further during Kramer's next visit.

#### Moroz Better, Backs Customs Agreement

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¶4. (SBU) Moroz said many mistakes were made in the early 1990's that had led to the current situation in Transnistria; the solution would involve some kind of autonomy for the region or a federal structure. However, with regard to the customs agreement, Ukraine was committed to helping Moldova improve the situation, and the Rada had no competency to review or change the agreement. Indeed, Ukraine was very concerned about problems of smuggling and contraband along the border and was committed to maintaining control.

#### Veselovsky Praises New York Bar Report

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¶5. (SBU) Veselovsky said the Moldova-based diplomatic corps had been favorably impressed by the Association of the Bar of the City of New York (ABCNY) (ref A) report on international law aspects of the Transnistrian conflict. Some other post-Soviet countries, such as Kazakhstan and Uzbekistan, had also been interested in the report's conclusions, since separatist movements had the potential to arise in Central Asia. To follow up potentially on the report's recommendations, Veselovsky said MFA had tasked the Ukrainian Embassy in Brussels with organizing an international conference on the international law aspects of the Transnistria conflict, to which European parliamentarians had already been invited, to be held in Brussels in late October/early November. MFA had also contacted good specialists on legal aspects to prepare a draft agenda.

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¶6. (C) DAS Kramer said, although he had a positive and constructive meeting with Yanukovych earlier in the day, Yanukovych's comments on Transnistria had made him nervous. Kramer had pushed for a commitment to maintain the Ukraine-Moldova customs agreement and had made clear the USG positions on Transnistria by the end of the meeting. Nevertheless, Veselovsky would face a challenge ensuring that a new Ukrainian government maintained its positive role on Transnistria.

#### Romania a Recent Problem

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¶7. (C) Veselovsky noted that Romanian officials, such as President Basescu and Foreign Minister Severin, had made statements that had alarmed Transnistria and thereby complicated efforts to resolve the Transnistria issue. Kramer agreed. Embassy Bucharest had responded immediately to Basescu's statements and they were likely to be raised again during Basescu's meetings in Washington, where he was currently visiting. Veselovsky said some Romanians still believed Moldova could be enticed into uniting with Romania as a back-door into the European Union. The Ukrainian Foreign Ministry planned to issue a statement noting that friends of Moldova should seek to help Moldova on the basis of Moldovan unity. DAS Kramer said he hoped to stop in Bucharest in early September en route to a conference in the region to reinforce the same point.

#### A Ukraine-Moldova Bilateral Issue

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¶8. (C) Pulling out a map of Moldova, Veselovsky said Ukraine had a bilateral issue with Moldova regarding Moldova's transit fees for Ukrainian railroad cargoes. When Transnistria blocked railroad traffic after the Ukraine-Moldova customs agreement entered into force, millions of dollars worth of Ukrainian cargo had to take a

substantially longer route around Transnistria to reach destinations in Western Europe. The increased transit distance had raised transit fees by U.S. \$3.40 per ton of cargo. This was a significant sum when multiplied by the large volume of Ukrainian shipments. Transnistria was now ready to reopen the rail routes, but the Moldovan government was resisting, raising spurious objections. The Ukrainian government suspected the Moldovan objections were based on the desire to continue collecting the additional fees. The Ukrainian Minister of Transportation would soon send a letter to Chisinau stating that, if Moldova was not ready to open the rail routes, the Ukrainian government would deal directly with Transnistria to do so. Veselovsky promised to provide an unofficial copy of the letter to the U.S. Embassy.

19. (U) Visit Embassy Kiev's classified website:  
[www.state.gov/p/eur/kiev](http://www.state.gov/p/eur/kiev).  
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